

**New Jersey Turnpike Authority  
Financial Summary  
For the Three Months Ended March 31, 2016**

<b>ACTUAL REVENUE - January - March</b>	\$ 400,210,000
<b>ESTIMATED REVENUE - April - December</b>	<u>1,353,879,000</u>
<i>Projected Annual Revenue</i>	<b>\$ 1,754,089,000</b>
 <b>ESTIMATED ANNUAL OPERATING EXPENSES</b>	 <u>519,423,900</u>
<i>Projected Net Revenue</i>	<b>\$ 1,234,665,100</b>
 <b>DEBT SERVICE REQUIREMENTS</b>	 794,359,000
<b>CHARGES FUND</b>	155,000
<b>SPECIAL PROJECT RESERVE FUND</b>	38,918,000
<b>MAINTENANCE RESERVE FUND</b>	89,370,000

The following un-audited results are for the three months ended March 31, 2016.<sup>1</sup> Based upon these results, revenues will be sufficient to satisfy the requirements of the Authority's Bond Resolution. For the twelve months ending December 31, 2016, the Authority is projected to have a debt service coverage ratio of 1.55 and a total requirements coverage ratio of 1.34.

The Authority's total revenue for the three months ended March 31, 2016 was \$400,210,000, which is \$12,258,000, or 3.2%, above projections. Toll revenue was \$349,677,000, which is \$9,563,000, or 2.8%, greater than the current projections due to a relatively mild winter and continued low gas prices. Revenue increased in spite of the impact of winter storm Jonas which occurred on January 23-24, 2016. Toll revenue loss due to Jonas is estimated to be \$5,521,000. Gas prices averaged \$0.52 /gallon lower in March 2016 as compared to March 2015, but increased as compared to the prior month for the first time in nine months. The increase in total revenue was also due in part to higher than anticipated revenue from concessions and E-ZPass fees. Concession revenue, which totaled \$8,401,000, was \$569,000, or 7.3% above projections due to both higher gasoline and food sales resulting from continued low gasoline prices and higher usage of the roadways. E-ZPass fees were \$14,551,000, which were \$1,250,000, or 9.4% above projections due to increased membership fees and higher collection of administrative fees from toll violators.

For the three months ended March 31, 2016, traffic on the New Jersey Turnpike increased 8.4% and toll revenue increased 8.6% as compared to the same period in 2015. The increases in traffic and revenue are due to milder winter weather, lower gas prices and an extra leap year day in 2016. Traffic and revenue were negatively impacted by winter storm Jonas which occurred on January 23-24, 2016. The storm resulted in 925,000 fewer transactions and \$3,977,000 less in revenue when compared to similar days in January. When adjusting for the impacts of this storm, traffic and revenue would have increased 9.5% and 9.7%, respectively. CDM Smith, the Authority's traffic engineer, released a draw down letter in October 2015 updating the short-term projections of its investment grade study released in May 2014. CDM Smith projected 2016 annual traffic and revenue growth on the Turnpike of 2.4% and 2.7%, respectively. Both actual and adjusted results compare favorably to CDM Smith's projected increase for the three months of 2016 of 6.3% for traffic and 6.2% for toll revenue. Through March 2016 the E-ZPass usage rate on the New Jersey Turnpike was 83.0%, an increase from 82.2% for the same period in 2015.

For the three months ended March 31, 2016, toll transactions on the Garden State Parkway increased 8.4% and revenue increased 8.6% when compared to the same period in 2015. Toll transactions and revenue increased due to less severe winter weather, consistently lower gas prices and the extra leap year day in 2016. As with the New Jersey Turnpike, toll transactions and revenue were negatively impacted by winter storm Jonas, resulting in 1,420,000 fewer toll transactions and \$1,544,000 in lower revenue. When adjusting for this storm, Parkway traffic and revenue would have increased 9.6% and 9.8%, respectively. CDM Smith's 2016 forecast projected toll transactions to remain flat from 2015 and for revenue to increase 0.5% on the Garden State Parkway. Both actual and adjusted results for the three months ended March 31, 2016 were well above the projected increases for the period of 4.2% for both toll transactions and revenue. Through March 2016 the E-ZPass usage rate on the Garden State Parkway was 79.5%, an increase from 78.9% for the same period in 2015.

Operating expenses for the three months ended March 31, 2016 were approximately \$120,602,000, which was 92.7% of the year-to-date budget. The Authority's March operating expenses are under budget primarily due to lower than expected snow and severe weather costs charged to operating expenses. The Authority spent \$21,956,000 for snow and severe weather costs through March 31, 2016, with \$11,206,000 spent from the operating expense budget and an additional \$10,750,000 spent from the General Reserve Fund. All snow and severe weather costs are charged to the operating expense budget with the exception of declared state of emergency events which are charged to the General Reserve Fund. Operating expenses were also under budget due to lower than expected fuel and utility costs, as gas prices remained low and temperatures were above average which reduced heating costs. Discretionary spending and budgetary guidelines will be closely monitored and adhered to throughout the remainder of the year in order to control operating expenses.

The Capital Budget consists of Supplemental Capital, Maintenance Reserve, and Special Project Reserve Funds. For the three months ended March 31, 2016, total expenditures were approximately \$11,809,000. Expenditures included \$3,202,000 for Parkway Bridge Repairs, \$2,516,000 for Turnpike Bridge Repairs and \$1,346,000 for Turnpike Resurfacing. There are current commitments in the Capital Budget of \$96,781,000. In addition to the Capital Budget, the General Reserve Fund expenses totaled \$103,348,000 and consisted primarily of \$81,000,000 for the State Transportation Capital Plan and \$10,750,000 million for Extraordinary Snow costs related to winter storm Jonas.

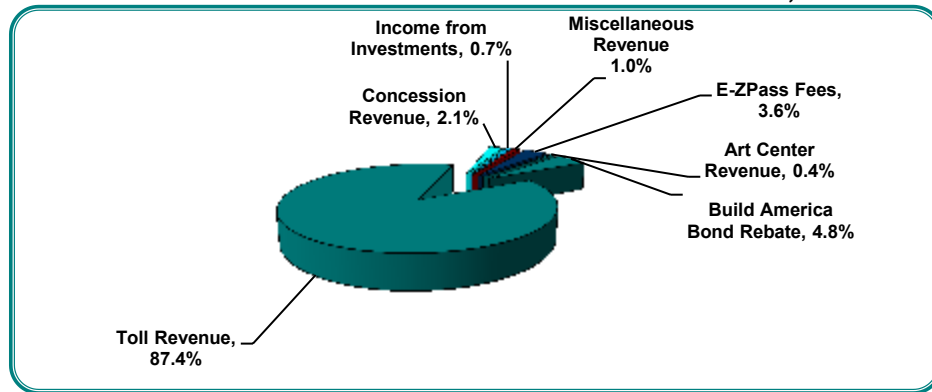
Total expenditures in the Construction Fund for the three months ended March 31, 2016 were approximately \$122,657,000. Expenses included \$27,542,000 for the Authority's Phase I Facilities Improvement project, \$17,439,000 for the Authority Phase II Facilities Improvements Project, and \$15,055,000 for the Turnpike Interchange 14A Reconstruction. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,064,734,000.

<sup>1</sup> These are un-audited results. Amounts and categories of revenue and expenses may change when audited.

**Comparison of Projected Revenues to Actual Revenues  
For the Three Months Ended March 31, 2016**

	<b>Projections</b>	<b>Unaudited Actual</b>
<b><i>Toll Revenue</i></b>	340,114,000	349,677,000
<b><i>Concession Revenue</i></b>	7,832,000	8,401,000
<b><i>Income from Investments</i></b>	3,262,000	2,881,000
<b><i>Miscellaneous Revenue</i></b>	3,249,000	4,124,000
<b><i>Build America Bond Subsidy</i></b>	18,926,000	19,028,000
<b><i>Arts Center Revenue</i></b>	1,268,000	1,548,000
<b><i>E-ZPass Fees</i></b>	13,301,000	14,551,000
<b><i>Total Revenues</i></b>	<b>387,952,000</b>	<b>400,210,000</b>

**Actual Revenues for the Three Months Ended March 31, 2016**



For the three months ended March 31, 2016, total revenue was \$400,210,000, which was 3.2%, or \$12,258,000 above projections. The increase is due mostly to higher than expected toll revenue. Revenue from E-ZPass fees as well as concessions both exceeded projections, but were partially offset by lower than expected income from investments.

Toll revenue for the period was \$349,677,000 which was 2.8%, or \$9,563,000 greater than the projected amount.

Concession revenue consists of revenues generated through the sale of food, gasoline and convenience store items at the service areas located along both roadways. Concession revenue was \$8,401,000 which was \$569,000 or 7.3% above projections. Fuel sales increased 9.5% on the New Jersey Turnpike and revenue was higher than projected despite a decrease in the gross profit margin on diesel fuel sales. The Authority receives 50% of the gross profit margin on all diesel fuel sold. New Jersey Turnpike food and convenience store sales increased 11.9% and 12.0%, respectively, compared to last year. The increase in food and fuel sales was in part due to the reopening of the Grover Cleveland Service Area on November 23, 2015 after a three-year closure due to the effects of Superstorm Sandy. On the Garden State Parkway, fuel sales increased 9.9% and convenience store sales increased 10.7%. Food sales increased 1.1%, despite the continued closure of the Vauxhall Service Area food service facility that began on October 2, 2015.

Investment earnings consist of income from invested operating revenues and reserve funds. Investment income was \$2,881,000, which was \$381,000 or 11.7% lower than projected. Investment yields are lower than projected as short term interest rates remain at or near historical lows.

Miscellaneous revenue includes fees for cell tower rentals, towing, fiber optic leases, park & ride commissions, property rentals, and other items. Revenue for the period was \$4,124,000, which was \$875,000, or 26.9% higher than projected due to an increase park and ride revenues, a FINRA arbitration settlement, and higher advertising revenue.

The Build America Bond Subsidy is a direct payment from the U.S. Treasury to the Authority equaling about 32.6% of the interest payable on the Series 2009F and the Series 2010A Bonds for Federal Fiscal Year 2016 which began in September 2015. The subsidy received was \$19,028,000, which was \$102,000 higher than projected due to the lower than expected reduction in the subsidy for the current federal fiscal year.

Arts Center revenue consists of rent and naming rights for the PNC Bank Arts Center located in Holmdel. For the three months ended March 31, 2016, revenue was \$1,548,000, which was \$280,000, or 22.1% higher than projected due to the receipt of a variable rent payment based on ticket sale figures which was not projected.

*E-ZPass* fees consist of monthly membership fees, transponder sales; return check fees, administrative fees, fiber lease revenue, interest on prepaid accounts and monthly statement fees. Revenue of \$14,551,000 was \$1,250,000, or 9.4%, higher than projected. Continued gains in *E-ZPass* membership have resulted in a 2.4% increase in membership fees when compared to the same period in 2015. In addition, for the three months ended March 31, 2016, administrative fee collections from toll violators increased 17.6% from the same period in 2015.

## New Jersey Turnpike Traffic & Revenue Comparison

For the Month of March 2016<sup>(1)</sup>

<u>Traffic</u>			
	March-16	March-15	% Change
Passenger Vehicles	18,402,000	16,990,000	8.3%
Commercial Vehicles	2,737,000	2,593,000	5.6%
Overall	21,139,000	19,583,000	7.9%

<u>Revenue</u>			
	March-16	March-15	% Change
Passenger Vehicles	62,557,000	56,593,000	10.5%
Commercial Vehicles	31,508,000	29,502,000	6.8%
Overall	94,065,000	86,095,000	9.3%

(1) Includes un-audited data for the month.

For the month of March 2016, traffic on the New Jersey Turnpike increased 7.9% and toll revenue increased 9.3% when compared to the same period in 2015. These results are ahead of CDM Smith's projections of 6.0% and 5.8% for traffic and revenue. Gas prices, which averaged \$0.52 /gallon lower than March 2015, mild March weather, one fewer weekend day in March 2016 than 2015, as well as the early timing of Easter in March all positively contributed to these results.

For the Three Months Ended March 31, 2016<sup>(1)</sup>

<u>Traffic</u>			
	March-16	March-15	% Change
Passenger Vehicles	50,379,000	46,255,000	8.9%
Commercial Vehicles	7,458,000	7,105,000	5.0%
Overall	57,837,000	53,360,000	8.4%

<u>Revenue</u>			
	March-16	March-15	% Change
Passenger Vehicles	169,248,000	153,215,000	10.5%
Commercial Vehicles	85,886,000	81,641,000	5.2%
Overall	255,134,000	234,856,000	8.6%

(1) Includes un-audited data for the month.

For the three months ended March 31, 2016, traffic increased 8.4% and toll revenue increased 8.6% when compared to the same period in 2015. The increases in traffic and revenue are due to comparatively worse weather conditions in the first months of 2015, the timing of Easter, lower gas prices and an extra leap year day in 2016. Although the winter of 2016 was less severe than 2015, traffic and revenue were negatively impacted by winter storm Jonas. When excluding these storms, traffic and revenue would have increased 9.5% and 9.7%, respectively for the three months ended March 31, 2016. CDM Smith projected increases of 6.3% and 6.2% for traffic and revenue. Gasoline prices increased \$0.09 in

March, marking the first monthly increase following eight (8) consecutive months of declines. Despite the small increase, gasoline is now \$0.82/gallon lower than when the nine month period began in July 2015.

Electronic toll collection remains popular and overall usage rates continue to be strong. For the three months ended March 31, 2016, the *E-ZPass* usage rate for passenger cars was 81.9%, and for commercial vehicles was 90.9%. This resulted in an overall *E-ZPass* usage rate of 83.0%. The *E-ZPass* usage rate remains one of the highest in the region reflecting acceptance among commuters and frequent travelers of the *E-ZPass* brand and the convenience provided to the users throughout the Northeast.

## **Garden State Parkway Traffic & Revenue Comparison**

**For the Month of March 2016<sup>(1)</sup>**

	<b><u>Toll Transactions</u></b>		
	<b><u>March-16</u></b>	<b><u>March-15</u></b>	<b><u>% Change</u></b>
Passenger Vehicles	31,218,000	28,779,000	8.5%
Commercial Vehicles	418,000	381,000	9.7%
Overall	<u>31,636,000</u>	<u>29,160,000</u>	<u>8.5%</u>
	<b><u>Revenue</u></b>		
	<b><u>March-16</u></b>	<b><u>March-15</u></b>	<b><u>% Change</u></b>
Passenger Vehicles	33,298,000	30,573,000	8.9%
Commercial Vehicles	1,256,000	1,130,000	11.2%
Overall	<u>34,554,000</u>	<u>31,703,000</u>	<u>9.0%</u>

(1) Includes un-audited data for the month.

For the month of March 2016, toll transactions on the Garden State Parkway increased by 8.5% and toll revenue increased by 9.0% when compared to March 2015. These results are well ahead of CDM Smith's projections of 4.6% for both traffic and revenue. Low gas prices, mild March weather, one fewer weekend day in March 2016 than 2015 and an early timing of Easter in March all positively contributed to these results.

**For the Three Months Ended March 31, 2016<sup>(1)</sup>**

	<b><u>Toll Transactions</u></b>		
	<b><u>March-16</u></b>	<b><u>March-15</u></b>	<b><u>% Change</u></b>
Passenger Vehicles	85,894,000	79,238,000	8.4%
Commercial Vehicles	1,109,000	1,027,000	8.0%
Overall	<u>87,003,000</u>	<u>80,265,000</u>	<u>8.4%</u>
	<b><u>Revenue</u></b>		
	<b><u>March-16</u></b>	<b><u>March-15</u></b>	<b><u>% Change</u></b>
Passenger Vehicles	91,262,000	84,003,000	8.6%
Commercial Vehicles	3,281,000	3,060,000	7.2%
YTD Toll Revenue	<u>94,543,000</u>	<u>87,063,000</u>	<u>8.6%</u>

(1) Includes un-audited data for the month.

For the three months ended March 31, 2016, toll transactions on the Garden State Parkway were up 8.4% and revenue increased 8.6% when compared to the same period in 2015. As with the Turnpike, toll transactions and revenue increased due to more severe weather conditions in 2015 as well as the timing of Easter, lower gas prices and an extra leap year day in 2016. Toll transactions and revenue were negatively impacted by winter storm Jonas in January. When adjusting for these storms, Parkway toll transactions and revenue for the three months ended March 31, 2016 would have increased 9.6% and 9.8%, respectively.

*E-ZPass* remains popular on the Garden State Parkway as electronic toll collection continues to increase. For the three months ended March 31, 2016, the total *E-ZPass* usage rate was 79.5% up from 78.9% in the same period in 2015. The *E-ZPass* usage rate for passenger cars was 79.3%, and for commercial vehicles was 91.0%.

## Operating Expenses

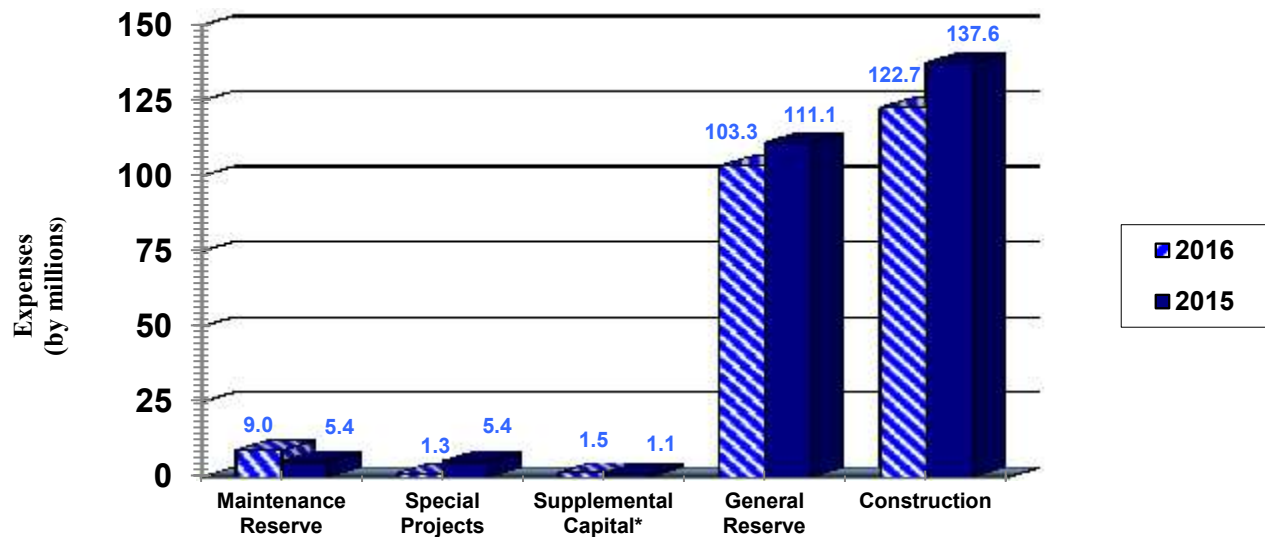
### For the Three Months Ended March 31, 2016

	Annual Budget	YTD Expenses
<b><u>Maintenance of roadway, buildings &amp; equipment</u></b>		
Maintenance	\$ 201,299,900	\$ 49,263,600
Engineering	12,488,300	2,886,000
<b>Total Maintenance</b>	<b>213,788,200</b>	<b>52,149,600</b>
<b><u>Toll Collection</u></b>		
Toll Collection	156,828,100	33,829,800
<b><u>State Police &amp; Traffic Control</u></b>		
State Police	68,076,600	15,869,700
Operations	11,404,200	2,977,200
<b>Total State Police and Traffic Control</b>	<b>79,480,800</b>	<b>18,846,900</b>
<b><u>Technology</u></b>		
Integrated Technology Services	29,321,300	6,706,300
<b><u>General &amp; Administrative</u></b>		
Executive Office	1,048,800	305,700
Law	9,375,000	1,701,400
Purchasing & Materials Management	7,082,300	1,712,100
Human Resources & Office Services	6,157,000	1,443,600
Finance	11,682,900	2,754,500
Patron & Customer Services	1,883,200	474,000
Internal Audit	2,776,300	678,100
<b>Total General and Administrative</b>	<b>40,005,500</b>	<b>9,069,400</b>
<b>TOTAL OPERATING</b>	<b>\$ 519,423,900</b>	<b>\$ 120,602,000</b>

Through March 2016, operating expenses were approximately \$120,602,000, which was 23.2% of the annual budget and 92.7% of the year-to-date budget. The Authority's March operating expenses are under budget primarily due to lower than expected snow and severe weather costs charged to operating expenses. The Authority spent \$21,956,000 for snow and severe weather costs through March 2016, with \$11,206,000 spent from the operating expense budget and an additional \$10,750,000 spent from the General Reserve Fund. All snow and severe weather costs are charged to the operating expense budget with the exception of declared state of emergency events which are charged to the General Reserve Fund. Operating expenses were also under budget due to lower than expected utilities expenses, which were only 84% of budgeted expenses due to continued low gas prices and above average temperatures which reduced heating costs. All other operating expenses are at or below budgeted levels.

## Capital Budget and Construction Fund Expenditures For the Three Months Ended March 31, 2016

	<b><u>2016</u></b>	<b><u>2015</u></b>
Maintenance Reserve	\$ 8,980,000	\$ 5,415,000
Special Projects	1,346,000	5,425,000
Supplemental Capital	1,483,000	1,063,000
General Reserve	103,348,000	111,145,000
Capital Budget Total	<u>\$ 115,157,000</u>	<u>\$ 123,048,000</u>
Construction Fund	<u>\$ 122,657,000</u>	<u>\$ 137,560,000</u>
Construction Fund & Capital Budget Total	<u>\$ 237,814,000</u>	<u>\$ 260,608,000</u>



Capital Budget projects are classified as Maintenance Reserve, Special Project Reserve and Supplemental Capital. These projects are funded from current or accumulated revenues. The Maintenance Reserve Fund covers the routine upkeep of the Authority's roadways with projects that are directly related to the Turnpike System. These projects consist of major resurfacing, structural repairs, major bridge repairs and painting. The Special Project Reserve Fund covers non-routine maintenance of the roadways and facilities. These projects consist of, but are not limited to, improving the Authority's facilities and technology platform. The Supplemental Capital Fund generally covers roadway and facilities improvements, major technology projects, whereas the General Reserve Fund includes payments to the State of New Jersey and payments for any other corporate purpose.

The Capital Budget consists of Supplemental Capital, Maintenance Reserve, and Special Project Reserve Funds. For the three months ended March 31, 2016, total expenditures were approximately \$11,809,000. Expenditures included \$3,202,000 for Parkway Bridge Repairs, \$2,516,000 for Turnpike Bridge Repairs, \$1,346,000 for Turnpike Resurfacing

and \$941,000 for Bridge Inspections. In addition to the Capital Budget, expenditures from the General Reserve Fund totaled approximately \$103,348,000 and include \$81,000,000 for the State Transportation Capital Plan, \$10,750,000 for Extraordinary Snow expenses, \$5,500,000 for the Transportation Trust Fund and \$2,000,000 for New Jersey Department of Transportation Feeder Road Reimbursement.

Bond proceeds are deposited in the Construction Fund to support major capital programs. Total expenditures in the Construction Fund for the three months ended March 31, 2016 were approximately \$122,657,000. Expenses included \$27,542,000 for the Authority's Phase I Facilities Improvement Project, \$17,439,000 for the Authority's Phase II Facilities Improvement Project, \$15,055,000 for the Turnpike Interchange 14A Reconstruction, and \$13,944,000 for the Parkway Interchange 35-63 Widening. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,064,734,000.